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COMMENTS ABOUT LEARNING EXPERIENCES BY PARTICIPANTS IN A GENERAL MANAGEMENT BUSINESS SIMULATION CONDUCTED AT THE UNIVERSITY OF TEXAS AT AUSTIN

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INTRODUCTION

The participants indicated that the concepts and experiences which were most valuable to them included a total management approach to planning, a greater appreciation and clearer understanding of the functional areas of the firm, and exposure to the challenge of organizing the team for decision-making. The meaning of financial terms such as "cash flow" or "earning power" became more significant to them as the participants learned how their decisions affected the firm's financial statements.

The simulation gave many participants a broader vision of the interworkings and concerns of a complex company. The structure of the simulation assisted them in consolidating various aspects of the management task into whole plans. Understanding of the interaction and subsequent coordination of the functional tasks was mandatory in order to develop an effective system of long-range planning.

The overall view, gained from the integrative structure of the management problem, contributed to a greater understanding of and respect for the specialists in functional areas. The increased exposure to the full range of decisions necessary for successful implementation of their team strategies in a competitive environment gave some participants a greater appreciation for other departments' decision-making problems.

Some participants learned about decision-making under uncertainty. The simulation taught them how their decision affected the balance sheet and income statement. The participants gained an awareness of the time lag effect which accompanies value changes in variables.

For some participants, the meaning of "cash flow" and its importance to operations was demonstrated. The concept of "cost-control" became more meaningful. The participants saw a need for better planning procedures and forecasting techniques, as well as for control to be exerted over all aspects of the business. They developed an understanding of a "systems approach" to management and problem solving.

TABLE 1

LEARNING AREAS IDENTIFIED BY 191 RESPONDENTS

<u>Areas</u>	<u># Responses</u>	<u>%</u>
Finance/Accounting/Forecasting	47	17
Integration of Business Functions	44	16
Teamwork	39	14
Decision-Making	35	13
Marketing System	21	8
Competition and Business Environment	20	7
Achieved its learning purposes and was an interesting, excellent teaching tool	17	6
Production Processes	16	6
"Real World" Situation	7	3
Miscellaneous	<u>24</u>	<u>9</u>
Total	<u>270</u>	<u>99%</u>

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Also, participants learned how to compromise and negotiate strategic plans in a group decision-making environment. As they worked with people having different backgrounds, they developed the art of cooperation and a method of personality conflict resolution.

COMMENTS BY PARTICIPANTS

It made me realize that all factors in a business must be considered. If all are not considered, the results could hurt the company.

Have a greater appreciation for the need for good coordination of all aspects of business such as sales, production, finance etc.

A deep appreciation of the problems of top management on coordinating production, sales, and finance. The need for clearly defined responsibilities and duties is also apparent as a result of this game. We tended to operate so that no one was responsible, and this led to lack of involvement.

Appreciation for other departments--finance, sales etc.

Great benefit. Despite any drawbacks of the program, it certainly achieved its purpose as a teaching-learning tool. It re-emphasized the fact that you have to put it all together (economics, manufacturing, sales, accounting, clerical, etc.) to be successful. I felt that it helped tie several of the lectures together.

Coordination of the production, marketing and finance functions.

A broader vision toward the varied influences on any business situation and on the need to control all aspects for best effect.

This gives every participant the opportunity to get a view of the entire business process In spite of his own discipline. Particularly, the financial area was quite different then expected.

Even though the simulation was only a game, it provided me with the only opportunity I have had to work with people in another company.

Did get a feel of the relationship of the marketing, production, and financial functions in a competitive environment. Also, it was pretty elementary, and in as much as my present job involves developing an operational 12-month plan for an integrated oil company on a quarterly basis, I cannot honestly say that I derived much benefit. This is not to say that the simulation does not have a place. It may have been helpful to others.

First of all, I felt that the results of each simulation run were the result of a team effort with each member contributing his part. The simulation was closer to reality than the cases that I have read. The simulation put the team under pressure to perform. Successful participation was accomplished by delegating to the background the confrontations between strong personalities.

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It gave me an opportunity to observe in operation the Interaction and relationship between each of the functions of a company.

Decisions under stress. Team work. Competition. Experience.

I obtained an overall feel for the running of a complex company.

Gave me an overall view of company operations from manufacturing, sales, and finance viewpoints.

Increased exposure and awareness of the many factors which influence a business.

More understanding of functional interrelationships.

Interaction between the various functions of business.

I realized the necessity of proper interaction of finance (cash flow), marketing (sales, production and inventory).

I got some appreciation of the factors at play in a total business environment. However, this was achieved very early in the simulation.

I got a picture of overall company operations and of the impacts of production, marketing, and finance on each other and the total results.

Greater appreciation for the many interacting facets of business, (i.e. production, marketing, finance, capital planning, and company objectives).

Excellent training.

Exposure to areas of business which are not normally encountered.

It taught me to consider the overall picture. I shall not forget this lesson.

It gave me a feel for all phases of a company operation, i.e. finance, marketing, production, etc.

Broadening experience--production scheduling, financial, accounting.

Very good overall feel for operating a company--cash flow, manufacturing cost, sales/marketing, etc. I've never had this type of training before--learned a lot.

The involvement in the game aided in my understanding of the discussions during class on accounting, finance and marketing.

Gave me a much better understanding of total aspect of business, what makes up a system of cash flow, inventory control, and marketing.

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I got exposure to accounting, cash flow, and profit and loss statements in a very practical manner. Working with these made them much more meaningful to me.

Inventory control, Production planning, Sales forecasting, and Cash flow.

I learned more about keeping records, and I have a better understanding of the overall problems in a company. Also, I understand the financial structure better.

A greater appreciation for those who must prepare business data and for those who must make operating decisions.

I feel that this is a good exercise, not only because of the challenge of making business decisions, but also because it helped to establish rapport in the class.

Revealed several aspects of what probably happens in the business world and how your decisions can affect the outcomes.

The opportunity to exercise the decision-making process as mentioned above.

Learn about decision making simulation. However, more benefits could be obtained if the business simulation were more realistic. The exercise provides the opportunity to discuss with your group different opinions arising from the way they operate their own business.

Obtained a better feel for making decisions, whether simulated or in real life. The simulation was interesting, stimulating, and offered an incentive to become more engrossed in the Management Development Program.

A feel for working in an uncertain environment with incomplete data, and a feel for development of a teamwork approach to problem-solving.

A better understanding of the mistakes that occur because of carelessness, because of hasty "seat-of-pants" decisions, and because of ignorance. A deeper desire to quantify as many variables as possible.

I acquired a feel for marketing decision and for accounting and financial decisions such as cash flow and leverage.

I enjoyed the actual participation in decisions which yielded an immediate knowledge of how the decisions affected the balance sheet.

A logical framework within which to approach organizational decisions by utilizing the functions of the firm.

It seems to have aided me in thinking about making the interrelated decisions in a firm. Also, it helped me in making group decisions.

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From a personal standpoint, the simulation gave me a chance to make decisions in most of the major areas of business operations (i.e. Production, Finance, Marketing, Purchasing) and to see how my decisions compared with those of my fellow students.

The full range of business decision-making was covered. Those of us with large corporations do not have an opportunity to experience this in our normal activities. This was probably the most beneficial result of the exercise.

A greater appreciation of the “total” operations and responsibilities of a company. Also, it gave good experience in arriving at group decisions.

It gave me a much better understanding of the various factors which influence decision-making in the operation of a business.

First, working in and with a group, each member of the group is as anxious to have his way as I am. There was much compromising done. We all “won a few and lost a few”; Second, learning to “put it all together” so that we could anticipate a result with fairly good accuracy. We were far more successful as planners than as operators, I believe.

Learned a great deal about interaction between team members, also I learned respect for problems in marketing. Overall, the game is excellent if total time spent internally on the simulation can be reduced.

The general experience of working with a production-type organization should prove to be beneficial, also the team-work experience with other members of the group should prove to be in our favor.

Better appreciation of what committees can accomplish if operated properly.

Interesting and challenging.

I learned to think of several important items at a time and developed further my use of the art of cooperation. It also sharpened my competitive nature.

An opportunity to work with other people, and to practice the Group Decision Process.

Exchange of ideas between members of the team. Knowledge of machine production and of the effect of producing quantities to maximum order to arrive at the lowest unit cost possible.

I understand better the specialists and also the importance of handling facts before making decisions. Team work idea is great.

Probably the biggest benefit was from work with other people in coming to a joint decision.

Group decision-making. Pooling knowledge for best team-effort benefit.

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Understanding of business decision, and of procedures. Practice in working with others.

Group decision-making. Organizing ways to make decisions.

Learned to work better with people.

Group decision experience.

Group decision-making process.

Obtained the feel for running a business. Importance of cash-flow and time-lag effects of changes in marketing variables.

A rounding-in of phases of business operations which I previously did not have.

I began to view the complete business operation, and to appreciate the danger in overemphasis on any one section of a company.

Very realistic simulation of real life--puts a microscope on functional dealings.

Considerably better understanding of the marketing function and how it is exercised.

With no prior experience, I feel that it was an excellent teaching tool for me. Specifically, it made me aware of my too-conservative tendencies and of the power of financial leverage.

Better understanding of marketing and financial processes. Added insight into group decision making.

Better understanding of cause and effect of cash-flow.

Since I have already played two different simulations, I now feel that most of the personal benefits which accrue from participating in a simulation have already occurred. However, the second simulation was useful in that it made me review my financial and accounting tools.

Much better understanding of cash flow. A very excellent experience.

Better understanding of balance sheet and P&L statement, and of cash flow management.

A sense of achievement, a better understanding of income statements, balance sheets and of the effects of equipment materialization and maintenance on costs of production.

Understand profit and loss better. Understand overall operations, instead of just sales.

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A better understanding of financial aspects of business (e.g.) cash- flow, balance sheet, income statement and sources of information.

Practice in studying and analyzing balance sheets and income statements. How to survive in price wars.

Appreciation for financial forecasting.

Better insight into company finance.

I have a much better understanding of the finance system.

Most important was to learn what cash flow is and to learn what problems you can have in an expanding market.

I think it is a very competitive game and that it let me get some picture of a composite structure that might be similar to real situations.

Have a better feel for a competitive market, and for some of the factors involved in manufacturing and sales.

Emphasized the point that marketing, production, and finance must be coordinated.

The extent to which competition affects the performance of a “closed” type industry was interesting.

Association and competitiveness with other groups could be more beneficial if it were more realistic--with more up's and down's, strikes etc.

The benefit that I realized from this simulation is “Don't overestimate your competitors”.

No knowledge or training, that I can put into practice as such, but I enjoyed the game thoroughly, perhaps because of the competitive stimulation it gave us~

Made the management course very interesting. Achieved a better insight into all phases of the operation of a company.

An overview and appreciation of all segments of a business-administration, marketing, finance, and production.

Fun in a process of extremely hard work. Ability to study each phase of management operations.

My background is in the administration of productive facilities: I gained a new insight into the sales aspect of the business.

Knowledge about a closed market.

Defining the factors affecting sales and defining marketing approach.

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Personally, I learned some problems of production-scheduling and of marketing.

Some Insight into the total production process.

Exposure to a manufacturing process.

How to plan and schedule production. The necessity of good rules for the best forecasting in a manufacturing operation.

It gave me an appreciation of the concern expressed about cash flow which we hear about all the time - in my present position it is not a matter of direct concern, because this is handled by others in our large corporation. It also gave me a taste of pricing and marketing which I am likewise not directly responsible for in my position.

Added to my knowledge of simulation procedures.

I felt the simulation was an extremely beneficial learning experience, as it consolidates all aspects of the business function into a meaningful whole.

A very good feel and appreciation for the problems operating all phases of a company.

Though most students disagree, this simulation applies much to other courses. Most of the benefits are taken for granted because they are so basic.

First, there is very little benefit after the first four or five quarters; second, this particular aspect of business does not apply to my position; and third, it did keep students busy.

Consolidation of information and use of techniques from several previous courses; making decisions and living with them; compromising with teammates on decisions for the company.

All decisions were very complex - it gave me a better feel for running a firm.

Having never been Involved in a business simulation, I found it very interesting. The insight it gave me into the functioning of a business was particularly valuable.

Working in different environment with others.

It has helped me to more fully understand the necessity for the coordination of all functions of the organization in the attainment of its overall corporate objectives. It also helped me to more fully understand the finance function of an organization.

Importance of accurate forecasting.

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I felt the simulation pulled together all of the aspects: production, sales, marketing, finance in such a manner that you could see the inter- action of each and thereby understand the relationships better.

Greatest benefit was in preparing cash flow statements and seeing the effects of various parameters on income statement and balance sheet.

A better appreciation of the problems of setting prices. A better understanding of depreciation, cash flow, the income statement and balance sheet.

The benefits were: (1) participating in the total management process, (2) competing in the market place, and seeing the results of varying decisions, (3) arriving at decisions with other company members, sharing ideas, thoughts, etc.

Close interrelation between decisions - Need to carefully control cost items - inventory cash-flow principles.

ALL TYPES (a) Production scheduling, (b) Finance, (c) Sales and Marketing, (d) General Management.

This is the best part of the program, the participating in this venture gave me a feel for just what happens in marketing, sales forecasting, production scheduling, etc. I got a real feel for the difficulty in predicting and handling these factors. Cash-flow was just a word, but having to deal with it on a real basis gave me the feel for its importance. I now realize that it cannot be the controlling factor but can be a limiting factor. Words like current ratio, net margin, earning power, return on equity, etc. now have a real meaning. I have seen them in action in comparison with decisions made in business simulations I don't think that just studying about them would ever have the impact of actually handling them in a real situation.

It made me more cognizant of the decision processes that are required in running a business. It made us all aware of the competitiveness that exists in the real world.

I enjoyed it - Competition is Great - I was involved in a different area and that is always a challenge to me.

The major benefit was learning to work with other members of the committee in deriving a satisfactory decision. Second was the benefit of controlling all the aspects of a company, although simple, and putting together the financial, production and marketing aspects of the company into a total objective.

Better understanding "feel" of accounting and cash flow. Team work with colleagues.

The principle of cash flow and its effect on interest charges was made extremely clear. I received a lot of feel for marketing that I had never had.

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The experience of working with people with different backgrounds was a valued asset. Specifically, I have been made more aware of the importance of cash flow problem in business activity.

The simulation was interesting, however there is a very marked difference between making decisions for the simulation and real life. The opportunity to work with others and to discuss ideas was the major benefit.

Learned about effects of long range planning. Importance of cash flow.

1. Planning strategies and actually carrying them out.
2. Overall picture of the terms and uses of financial lingo.
3. A good exposure to balance sheets and income statements on a rapid-fire basis.
4. More confidence in how to understand financial statements.
5. Stay out of manufacturing business.

Learned valuable experience in cash flow, market analysis, price/market share and managerial accounting techniques. Also, interaction with other members of our team was a valuable lesson.

The benefits and charts and communicating with others--non-related to energy.

Decision making with considerations of the entire company operations rather than just departmental in real life.

I received the benefit of group decision making processes; better feel of competitive interaction; and better understanding of cash management.

Gave me a better grasp of effects of sales prices and incentives; gave me an opportunity to see the effect of changing tactics.

I am much more aware of the problems of my suppliers.

Overall company operation.

Observing variables of finance, sales not previously used, and use of these data in decision making in a competitive situation will help me make better decisions on the job.

Mainly the decisions concerning sales price, number of salesmen, and pay to salesmen.

I feel I got a strong incentive to analyze multiple factors at a time (interacting with each other) and to arrive at the best possible synthesis for making decisions.

Very realistic in terms of working with people who are extremely aggressive and strong willed.

Dispassionate view of business promulgated by the exercise.

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I benefited from the interpersonal relationships under the unique conditions where no one person could or did claim artificial pre-knowledge.

Provided excellent base for ~experimenting” with all interacting variables.

A strong feel of necessity for looking ahead relating to matters of company commitments. Considerations of sales plans vs. cash flow, costs of production, etc. Working as a team utilizing individual specialties.

Interrelationship of a “new” team of individuals. Negotiations with a dominant individual (success or failure) was rewarding for me to try differing techniques.

Additional understanding of company management, production control, and decision making.

Working with other managers.

Gave a feeling of running a business in highly competitive situation. Work closely with others on group established goals.

Interaction. I received a much better understanding of the marketing and financial aspects of a corporation.

Excellent mind exercise! Opportunity to monitor financial changes due to operating variables.

Have a better feel for cost accounting and its ramifications; also, I have a little better understanding of marketing problems.

It increased my knowledge in the areas of accounting and finance.

Team work; better understanding of production and financial aspects and price-volume relationship in this particular program.

Enjoyed the exercise and the contest of competition.

Realization of the complex problems associated with decision making- it was rather apparent soon after the simulation began how difficult it is or can be to work with a group of people. Different ideas are presented by each person and problems in compromising were evident.

In decisions of production problems, the discussions (arguments) were beneficial to the understanding of the problems.

Participated in a type of operation with which I was not familiar. Made me acutely aware of the importance of cash flow to business - that is, I was in a situation where cash-flow was the principal source of funds for continuous operation. This is true for any company, but becomes obscured in a very large company.

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Increased my awareness of management principles, simulation gave greater comprehension of these principles.

Almost nil.

It taught me that salesmen earn too much.